

1 STATE OF WASHINGTON  
2 DEPARTMENT OF FINANCIAL INSTITUTIONS  
3 SECURITIES DIVISION

4 IN THE MATTER OF DETERMINING ) Order Number S-04-126-04-TO01  
5 Whether there has been a violation of the )  
6 Business Opportunity Fraud Act of )  
7 Washington by: ) SUMMARY ORDER TO CEASE AND  
8 Power Internet Terminals, Inc. aka M & N ) DESIST AND DENYING REGISTRATION  
9 Venture Capital Group, Frank Mineo, Crystal )  
10 Nadel, Max Bacal, Chantelle "Charlee" )  
11 Langley, Tristan Garcia, their agents and  
12 employees

13 Respondents

14 THE STATE OF WASHINGTON TO: Power Internet Terminals, Inc., Frank Mineo,  
15 Crystal Nadel, Max Bacal, Chantelle  
16 "Charlee" Langley, and Tristan Garcia

17 **STATEMENT OF CHARGES**

18 Please take notice that the Securities Administrator of the State of Washington has reason  
19 to believe that Respondents, Power Internet Terminals, Inc. aka M & N Venture Capital Group,  
20 Frank Mineo, Crystal Nadel, Max Bacal, Chantelle "Charlee" Langley, Tristan Garcia, their  
21 agents and employees, have violated the Business Opportunity Fraud Act of Washington and that  
22 their violations justify the entry of an order of the Securities Administrator under RCW  
23 19.110.150 to cease and desist from such violations. The Securities Administrator finds that delay  
24 in ordering the Respondents to cease and desist from such violations would be hazardous to  
investors and to the public and that a Summary Order to Cease and Desist should be entered  
immediately. The Securities Administrator finds as follows:

25 SUMMARY ORDER TO CEASE AND DESIST AND 1  
26 DENYING REGISTRATION  
27 Power Internet Terminals, Inc.

28 DEPARTMENT OF FINANCIAL INSTITUTIONS  
29 Securities Division  
30 PO Box 9033  
31 Olympia, WA 98507-9033  
32 360-902-8760

1 **TENTATIVE FINDINGS OF FACT**

2 I.

3 PARTIES

4 1. Power Internet Terminals, Inc. aka M & N Venture Capital Group, (“PIT”) is a  
5 Florida for profit corporation originally incorporated on October 2, 2002 as M & N Venture  
6 Capital Group, at 2015 NW 183<sup>rd</sup> Terrace, Hollywood, FL 33029. On January 6, 2004, M & N  
7 Venture Capital Group filed a “Change of Name” in Florida, changing the name of the  
8 corporation to PIT, at 2015 NW 183<sup>rd</sup> Terrace, Pembroke Pines, FL 33026.

9 2. PIT offers a business opportunity involving the placement of Public Access Internet  
10 Terminal (“PAIT”) kiosks in malls, coffee shops, hotels, airports and other locations. The PAIT  
11 kiosks provide consumers various services including pay telephone service, pre-paid cellular  
12 calling cards and other accessory services such as advertising.

13 3. On Friday, May 7, 2004, PIT filed an application to register its business opportunity  
14 with the Division. Such application has been pending to the date of this Order. The application  
15 failed to mention offers and/or sales made to Washington residents prior to the application for  
16 registration.

17 4. Frank Mineo (“Mineo”) is President, CEO and Director of PIT and has served as such  
18 at all times relevant to this action. On March 28, 2003, the Oregon Division of Finance and  
19 Corporate Securities served a Cease & Desist Order, in the matter of Success Concept  
20 Enterprises, Inc D/B/A/ Success POS; AmeriPOS D/B/A WBCI; David Tarr; David Ross;  
21 Brandon Clarey and Frank Mineo for violations of the Oregon Securities Act.

22 5. Crystal Nadel (“Nadel”) is Vice-President of PIT and has served as such at all time  
23 relevant to this action.



1 11. On May 12, 2004, a third resident, AP, discovered an advertisement on the Internet  
2 for a business opportunity involving the placement of PAIT kiosks in malls, airports, and hotels  
3 and called PIT to obtain information about the business opportunity.

4 12. The sales representatives Langley and Garcia each described the business to the  
5 residents as privately owned Public Access Internet Terminal (“PAIT”) kiosks. The kiosks sold  
6 for about \$15,000, including shipping costs, and came with a full 5-year warranty. The kiosks  
7 could be purchased in single units, a package of five for \$55,000 or a package of ten for  
8 \$125,000. The purchase price also included locating services to be provided by locators  
9 suggested by PIT.

10 13. The sales representatives each told the residents that the business opportunity would  
11 produce up to \$32,000 a year or more based on the following formula: 35 people using the kiosk  
12 per day, for 10 minutes, at 25 cents per minute of use. The sales representatives each told the  
13 residents that further income could be generated by selling advertising for \$200 per month, the  
14 sale of point-of-purchase add-ons like phone cards, and pay telephone calls. According to the  
15 sales representatives, the kiosk worked on Wi-Fi technology and was “state-of-the-art” computer  
16 systems. The sales representatives told the residents that monthly business costs would be less  
17 than \$200.

18 14. The residents all ordered and received the offering circular provided by PIT and all  
19 three had to pay \$15 “shipping” fees to receive the documents. Included in the package of  
20 materials was the offering circular, a confirmation letter for a callback appointment and various  
21 promotional materials.

22 15. One resident purchased a kiosk. On May 4, 2004, HB sent a personal check for  
23 \$10,000 to PIT in FedEx envelope provided by PIT. The check was written on HB’s personal

1 account at Bank of America. The funds were from a small insurance settlement HB had recently  
2 received. The Purchase Agreement HB signed stated that he would receive his kiosk within 45  
3 days, but he had not received his kiosk as of August 25, 2004, and has not been contacted by a  
4 locator.

### 5 III.

#### 6 MISREPRESENTATIONS AND OMISSIONS

7 16. The disclosure document sent to a Resident describes PIT as being a “business  
8 opportunity seller” and notes that “an addendum may be included immediately before or after the  
9 FTC cover page” if the potential investor resides in a business opportunity state.

10 17. The disclosure document provides a biography for its officers, Mineo and Nadel, and  
11 states the following: “Neither the seller nor any other person listed in item 2 above is subject to  
12 any currently effective state or federal agency or court injunctive or restrictive order.” The  
13 disclosure document fails to inform investors of the currently effective Cease and Desist order  
14 issued by the State of Oregon against Mineo.

15 18. The disclosure document did not contain audited or unaudited financial information  
16 for PIT.

17 19. Respondents failed to provide a reasonable basis for the oral representations of  
18 possible annual earnings.

19 20. Respondents represented the PAIT kiosks are Wi-Fi (wireless internet) technology,  
20 but the disclosure document describes the PAIT kiosks as operating on DSL and/or cable  
21 broadband connections.



1 The offer or sale of said business opportunities is in violation of RCW 19.110.050  
2 because no registration was in effective at all times relevant to the offer and/or sale of said  
3 business opportunity as described above.

4  
5 III.

6 The offer or sale of said business opportunities was made in violation of RCW  
7 19.110.070 and/or RCW 19.110.120 because Respondents made material misrepresentations  
8 and/or omissions of material facts in the offer and/or sale of the business opportunity; including,  
9 but not limited to:

10 A. Respondents' disclosure document failed to disclose the existence of the State of  
11 Oregon Cease & Desist Order against Frank Mineo described in the Tentative Findings of Fact,  
12 Paragraph 4.

13 B. Respondents failed to provide financial statements of any kind in the disclosure  
14 document as described in Tentative Findings of Fact, Paragraph 18.

15 C. Respondents failed to provide offerees with written substantiation of earnings claims  
16 made in connection with the offer of its business opportunity as described in Tentative Findings  
17 of Fact, Paragraphs 13 and 19.

18 D. Respondents' sales agents made false or inconsistent statements about the business  
19 opportunity contrary to representations made in the disclosure document, as described in  
20 Tentative Findings of Fact, Paragraphs 20 - 22.

21 IV.

22 The Securities Administrator finds that an emergency exists, that the continued violations  
23 of RCW 19.110.050, 19.110.070 and RCW 19.110.120 constitute a threat to the investing public,

1 and that a summary order to cease and desist from those violations is in the public interest and  
2 necessary for the protection of the investing public

3  
4 .  
5 **SUMMARY ORDER**

6 Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY  
7 ORDERED that Power Internet Terminals, Inc. aka M & N Venture Capital Group, Frank  
8 Mineo, Crystal Nadel, Max Bacal, Chantelle “Charlee” Langley, Tristan Garcia, their agents and  
9 employees each shall cease and desist from offering or selling business opportunities in any  
10 manner in violation of RCW 19.110.050, the section of the Business Opportunity Fraud Act of  
11 Washington requiring registration.

12 It is further SUMMARILY ORDERED that respondents, Power Internet Terminals, Inc.  
13 aka M & N Venture Capital Group, Frank Mineo, Crystal Nadel, Max Bacal, Chantelle  
14 “Charlee” Langley, Tristan Garcia, their agents, and employees each shall cease and desist from  
15 violation of RCW 19.110.070, the disclosure document section of the Business Opportunity  
16 Fraud Act of Washington.

17 It is further SUMMARILY ORDERED that respondents, Power Internet Terminals, Inc.  
18 aka M & N Venture Capital Group, Frank Mineo, Crystal Nadel, Max Bacal, Chantelle  
19 “Charlee” Langley, Tristan Garcia, their agents, and employees each shall cease and desist from  
20 violation of RCW 19.110.120, the anti-fraud section of the Business Opportunity Fraud Act of  
21 Washington.

22 It is further ORDERED that the business opportunity registration application PIT filed on  
23 May 7, 2004 is hereby denied.

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**AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 19.110.150 and is subject to the provisions of RCW 34.05. The Respondents, Power Internet Terminals, Inc., Frank Mineo, Crystal Nadel, Max Bacal, Chantelle “Charlee” Langley, Tristan Garcia may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and desist permanent as to that respondent and in the case of Respondent PIT, the Order denying the application for the registration of the PIT business opportunity shall be made final.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

Dated this 13th day of September, 2004

  
MICHAEL E. STEVENSON  
Securities Administrator

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Approved by:



MARTIN CORDELL  
Chief of Enforcement

Presented by:



BRAD FERBER  
Financial Legal Examiner

And by



PAUL A. LAIRD  
Securities Investigator